



## First Children's Finance

# Dream Up! Grant Summary

### Marathon County

Marathon, Wisconsin

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## Strategic Supply Planning

The Strategic Child Care Supply Planning Process is a facilitated community planning process designed to engage a Core Team of community leaders to support and expand the child care capacity in their community. First Children’s Finance works with the Core Team to understand the current child care landscape and create goals to address child care needs.

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## BACKGROUND

### Marathon County

The community of Marathon County was selected by First Children’s Finance to engage in community consultation around the supply of child care, through the Dream Up! Child Care Strategic Supply Planning Process. Funding for this work is provided by a *Preschool Development Grant* received by the Wisconsin Department of Children and Families. In this process, a Core Team lead by Lance Leonhard, County Administrator participated in a process that included:



- 8 hours of facilitated meetings by First Children’s Finance National Team Staff
- Identification of goals to increase high-quality child care slots
- Planning support, facilitation, and technical assistance from First Children’s Finance
- A Strategic Child Care Supply Plan that guides Marathon County in efforts to increase its supply of high-quality child care.

## COMMUNITY INFORMATION

Marathon County is considered a semi-urban area located in the Northern Region of Wisconsin. Marathon County applied for the Dream Up! Strategic Supply planning process and were awarded participation with the Spring Dream Up! Strategic Supply Plan Cohort. Each application included a geographic region the Core Team planned to focus on, referred to as ‘the community’. Marathon County included the zip codes and corresponding communities listed in Figure 1 as their geographic region and defined community.

Cities	Zip Codes	Cities	Zip Codes
Wausau	54401	Marathon	54448
Wausau	54402	Mosinee	54455
Wausau	54403	Ringle	54471
Aniwa	54408	Rothschild	54474
Athens	54411	Schofield	54476
Edgar	54426	Spencer	54479
Eland	54427	Stratford	54484
Elderon	54429	Unity	54488
Hatley	54440		

Figure 1: Marathon County Defined Zip Codes | Community Application Process

## Core Team

The following people participated in the Core Team meetings to address the child care supply needs in Marathon County. The primary contact for this project is Core Team lead, Lance Leonhard, County Administrator.

Name	Organization Affiliation
<b>CORE TEAM LEAD:</b> Lance Leonhard	County Administrator—Marathon County
<b>CORE TEAM MEMBERS:</b>	
Kelly Kapitz, PhD	Director of Marathon County Special Education & Birth to 3
Dr. Casey Nye	Assistant Superintendent of Learning-D.C. Everest Area School District
Bryan Bailey	CEO of Woodson at the Young Men’s Christian Association (YMCA)
Elsa Duranceau	Worker Advancement Initiative Grant Coordinator-North Central Wisconsin Workforce Development Board
Yee Leng Xiong	Executive Director-Hmong American Center, Inc,
Renaë Krings	Vice President-Greater Wausau Chamber of Commerce
Laurie Benson, BSN	Executive Coordinator-Nurses on Boards Coalition
Brad Gast, Ed. D, MBA, CPP	Dean of Workforce Training, Professional Development, Apprenticeship-Northcentral Technical College
Dr. Corina Norrbom	Health Policy Fellow
Tara Glodowski	Director of Community Impact-Education, United Way of Marathon County
Mang Xiong	Executive Director-Wisconsin United Coalition of Mutual Assistance Association
Krista Gylund	Executive Director-Wausau Childcare, Inc.
Katie Rosenberg	Mayor-City of Wausau
Kelly Borchardt CCR&R	Executive Director-Childcaring Inc.
Dr. Keith Hilts	Superintendent-Wausau School District
Maria Coakly, MS	Family Preservation and Support Manager Marathon-Portage, Wood, Green Lake, Marquette Counties, Children’s Wisconsin
Noor Ali Hassan	Special Projects Coordinator-Marathon County
Liz Brodek	Development Director-City of Wausau
Micki Krueger	Assistant Director-Childcaring
Aaron Mull	Superintendent
Michelle Van Krey	Marathon County Board of Health
Sara Kreuger	Nurse Consultant
Sally Glennon	Woodson Young Men’s Christian Association (YMCA)
Becky Brodick	Department of Children and Families Bureau of Regional Operations-Northern
Amanda Ostrovski	Marathon County Health Department
Tabatha Gundrum	Wausau Schools
Jacque Jakubek	School Age & Camp Coordinator

# Community Insights

Research by the Core Team was conducted and provided as part of the application process. First Children’s Finance provided additional data and information regarding the community’s child care needs and sustainable child care solutions. As a result, the Core Team was able to better understand their community’s child care challenges. Figure 2 displays all children ages 5 and under by race in Marathon County, to deepen the understanding of what the community make up consists of, specifically for children under age 5. Through conversations Marathon County has had with the community, four major considerations are impacting child care availability.

The median household income is \$63,442, with 35% of the population living in poverty. According to research completed for their application, over the past decade, Marathon County has lost 50% of its child care providers. According to Wisconsin’s Department of Children and Families Preschool Development Grant Sandbox Data, 21% of a family’s income in Marathon County is spent on child care, with the average monthly cost of care being \$1,109. The Federal Government defines affordable care as no more than 7% of a family’s yearly income spent on child care. The Sandbox data shows that in Marathon County, a family with a child aged 0-1 receiving care in a licensed group child care will pay 3 times the affordable amount.

- 1.) Twelve percent of children in Marathon County live in poverty, a percentage point higher than the state average of 11 percent.
  - 2.) Many of Marathon County’s largest industries need third shift workers but child care options for evenings are woefully small.
  - 3.) Parents cannot afford to enroll their children in child care because it is too expensive, (meaning one opts out of the labor force).
  - 4.) Staff shortages and frustration among childcare directors/owners is also leading to difficulties with families find child care.
- \*Excerpt from Dream Up! Application

**90%**

Of children participating in Wisconsin Shares Child Care Subsidy are served by High Quality Providers.

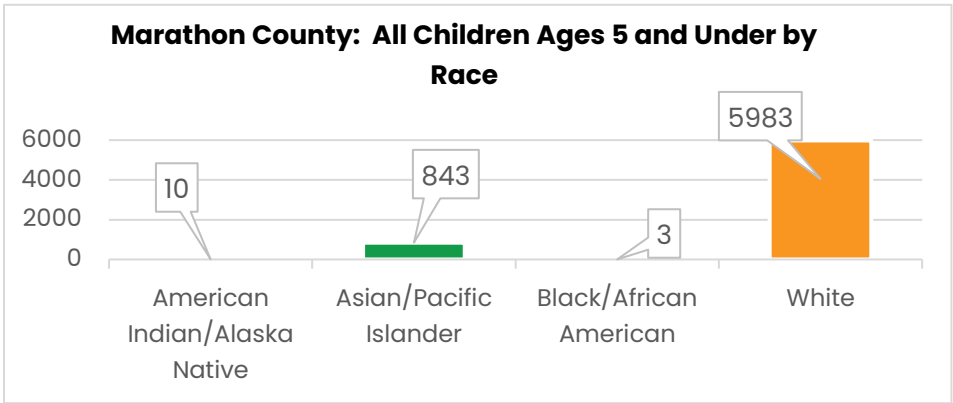


Figure 2: Marathon County Children Under Age 5 by Race | US CENSUS 2021

## Supply Demand Gap Analysis

As part of the Strategic Supply Planning Process, the local community was provided with various forms of data and information to understand contributing factors for the child care challenges (see Figure 3). First Children’s Finance leveraged different data sources to create an illustrative picture of the supply of child care in the local area. These data sources include US Census Information, Wisconsin’s Department of Children and Families Data, and other internal research tools including First Children’s Finance calculations.

First Children’s Finance completed a Supply Demand Gap Analysis which provided a view of potential child care needs. The analysis was conducted in May of 2022 and showed a deficit of 4,078 slots within Marathon County’s defined community.

Figure 3: Marathon County Supply Demand Gap Analysis | FCF Calculation

Zip Code	City	Licensed Family Child Care	Licensed Group Child Care	Certified Family Child Care	Expected Child Care Capacity	Anticipated # of Children 0-5	Expected Need
54401 54402	Wausau	9	4	3	412	1459	1047
54403	Wausau	6	6	1	436	1079	643
54408	Aniwa	0	0	0	0	54	54
54411	Athens	0	1	0	30	183	153
54426	Edgar	0	1	0	19	145	126
54427	Eland	0	0	0	0	70	70
54440	Hatley	1	0	0	7	133	126
54448	Marathon	2	1	0	56	172	116
54455	Mosinee	6	2	1	188	1065	877
54471	Ringle	0	0	0	0	34	34
54474	Rothschild	3	1	0	85	255	170
54476	Schofield	4	4	0	465	735	270
54479	Spencer	2	0	0	14	172	158
54484	Stratford	4	1	1	61	271	210
54488	Unity	0	0	0	0	25	25
54429	Elderon	0	0	0	0	0	0
<b>Total</b>		<b>37</b>	<b>21</b>	<b>6</b>	<b>1773</b>	<b>5851</b>	<b>4078</b>

## How Is the Need Supported Today?

When there is a gap in the licensed and regulated child care slots available in a community compared to the children potentially needing care in the community, families find unique ways to meet their needs outside of licensed or regulated child care. The following are common ways that parents may fill their need for child care and may be present in Marathon County's community.

### **Legal Unlicensed (unregistered) Care / Family, Friends, & Neighbors**

Friends, family, and neighbors may provide care for up to three (3) children without a license; however, under Wisconsin law, no person may provide care and supervision for four (4) or more children under the age of seven (7) for less than 24 hours a day. Care for four (4) or more children under the age of seven (7) would require a provider to obtain a license to operate a child care center from Wisconsin's Department of Children and Families.

### **Illegal Unlicensed/Unregistered Care**

Care is provided in a setting that requires licensing or regulation, but the provider has chosen to provide care without the proper license or following regulatory guidelines.

### **Under-Employment / Shift Alignment**

Parents may work split shifts, work part-time, or limit their work hours to stay home with their children. There may be children in the community whose parents have left the workforce and are not looking for employment because of child care challenges. These families are not included in the data in this report, but parents may enter the workforce if viable child care options were available.

### **Out of Area Care**

Parents who have children in the region studied may take their child to care outside of the area of this report. This may be due to parents' work location, access to care, or other reasons.

## Quality Rating and Improvement System

First Children's Finance examined state-wide information about the number of child care programs that are participating in the YoungStar Program (see Figure 4). YoungStar is Wisconsin's child care Quality Rating and Improvement System (QRIS) that identifies programs that go above and beyond the general licensing requirements to obtain higher quality in their child care programs.

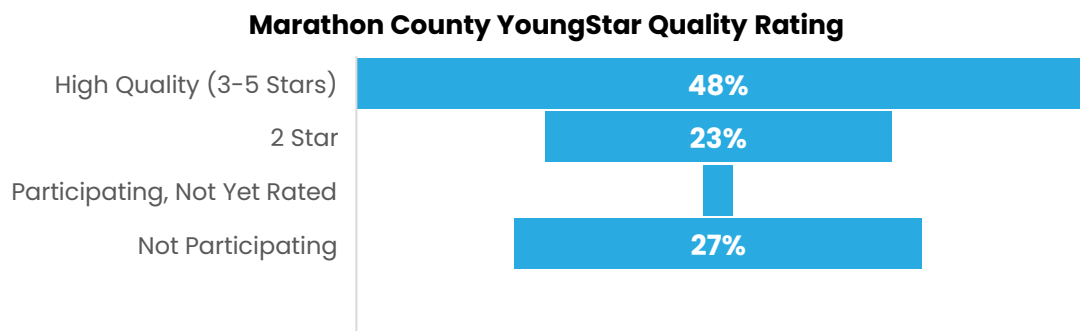


Figure 4: Marathon County YoungStar Rating | PDG Sandbox

# Workforce

## Child Care Workforce

First Children’s Finance examined the child care workforce in Wisconsin. Many individuals in the workforce have formal educational backgrounds and more than a decade of experience. However, more than half of early childhood educators rely on some form of public assistance and do not receive benefits. The Institute for Research on Poverty at the University of Wisconsin–Madison reported that there is a 40% turnover rate in the Early Childhood Education field. State-wide, more than 25% of child care workers hope to find a new job in the next two years. Figure 5 shows data collected for the Northern Region of Wisconsin where 34% of the workforce anticipate leaving the field within the next two years. The cost of care is high for families and the cost of delivery is high for providers. Often, this impact is reflected in child care worker wages. The First Five Years Fund researched the average compensation rate for child care workers and found in Wisconsin, the average hourly rate is \$10.66. This annual salary of \$22,170, is below the poverty line for a working family.



### Early Education Workforce Summary



Figure 5: Survey of Center-Based Teachers | Institute for Research and Poverty

## Primary Industries

Additionally, First Children’s Finance examined the top industries in Marathon County within available Census Data, shown below in Figure 6. The top industry can impact child care needs based on the beginning and end time of employee shifts. In Marathon County, the top industry in the county is educational services, health care and social assistance. It was noted within the application that the top industries call for second and third shifts. With the county losing 50% of available child care providers over the past decade, the opportunity for families to find child cares that offer non-traditional hours is more

1. Educational Services and Health Care and Social Assistance

2. Manufacturing

3. Retail Trade

difficult than ever. Educators do not always need full year child care and take their children out of child care during the summer months, returning in the fall, when school goes back into session. The inconsistent enrollment for child care programs can put a strain on an already challenging business model. During Strategic Supply Plan meetings with First Children’s Finance, the Core Team was challenged to brainstorm how to overcome these challenges not only for families, but also for providers.

Figure 6: Top Industries in Marathon County | U.S. CENSUS 2021

## Data Overview

<p><b>6</b></p> <p>Certified Family Child Care Programs in Marathon County (DCF Licensing Data)</p>	<p><b>37</b></p> <p>Licensed Family Child Care Programs in Marathon County (DCF Licensing Data)</p>
<p><b>21</b></p> <p>Licensed Group Child Care Programs in Marathon County (DCF Licensing Data)</p>	<p><b>48%</b></p> <p>Of Child Care Programs have a 3-5 star rating in Marathon County (DCF Sandbox Data)</p>
<p><b>50%</b></p> <p>Of zip codes are considered child care deserts in Marathon County (DCF Sandbox Data)</p>	<p><b>5,851</b></p> <p>Children under 5 with all parents in the workforce in Marathon County (*ACS 5 Year Estimates)</p>
<p><b>1,773</b></p> <p>*Current expected child care capacity in Marathon County (*FCF Calculation May 2022)</p>	<p><b>4,078</b></p> <p>Birth to age 5 slots needed in Marathon County (*FCF Calculation)</p>
<p><b>\$1,109</b></p> <p>Average monthly cost of care in Marathon County (DCF Sandbox Data)</p>	<p><b>37,817</b></p> <p>Marathon County residents are employed within the county</p>

## Core Team Planning Meeting

Throughout the summer and early fall of 2022, the Core Team, a group of community stakeholders interested in the supply and sustainability of child care, met to discuss the child care shortage in Marathon County, and to develop strategies to increase the number of high-quality child care slots. Below are the primary topics that were addressed in the conversations and the goals developed to address the shortage of child care.

- Community Awareness
- Workforce
- New Child Care
- Partnerships

After discussing these core topics, the focus was placed on primary areas of need, where current resources should be directed, and where additional resources are needed. The Core Team created these goals to support the child care needs in the community.



## Goals



### **SMART Goal:**

By November 1<sup>st</sup>, 2023, establish alternative child care business models in Marathon County; partnering local employers and child care providers.

**Project Team Members:** Kelly Borchardt, Elsa Duranceau, Lance Leonhard, Laura Scudiere, Liz Brodek, Kay Palmer, Bryan Bailey, Stephanie Daniels, Kelly Kapitz, Aaron Mull, Ozalle Toms, Keith Hilts, Sarah Krueger, Renae Krings and Aaron Ruff

#### **Objective of the Goal:**

- Local employers will partner with child care providers to pay for a percentage of each child care slot.
- Local employers will partner with child care providers to establish new onsite child care facilities.



### **SMART Goal:**

By November 1<sup>st</sup>, 2023, invest in and retain current child care providers in Marathon County.

**Project Team Members:** Kelly Borchardt

#### **Objective of the Goal:**

- Provide retention compensation for local child care providers
- Provider hiring compensation/bonuses to attract qualified staff to local child care centers
- Provide funding for program supplies, equipment, or minor renovations to local child care providers

## Project Recommendations

Marathon County is a busy, flourishing area, with a committed Core Team who is invested in the child care landscape. First Children's Finance recommends that the Core Team engage in the following activities:

1

Consider braided funding opportunities for providers. Providers are unable to charge families the true cost of child care, as it is simply unaffordable. Braided funding streams, such as investments from local businesses, or school districts, provide child care programs with the opportunity to create a more stable business model. The top industries in Marathon County include health care and education which often come with a need for extended hour or second shift care, in the case of educators, they may not need full-year child care. Braided funding can provide employers needing second and third shift employees the opportunity to secure child care options for their employees, and this diversified funding can enhance the income of the child care business.

2

Continue to review the child care landscape and invest in current and past providers wanting to expand or re-open their business. Marathon County has a need of just over 4,000 child care slots, this need will require a significant number of individuals entering the child care field. The Marathon County application shared the community has lost 50% of its regulated providers in the past decade. Communicate with those providers to understand reasons that led to the decision to close their doors. With support and investment providers may re-open their businesses or refer others interested in starting a child care business.

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